

MINING AND FINANCIAL

The story of the stock market in the last week or two sounds something like a fairy tale—the kind of fairy tale that has been heard so often by the small tradesman, farmer and laboring man in the east. It is a story of shares selling for the price of a stick of chewing gum, advancing almost over night one and two hundred per cent. It is the dream of the little investor come true. The fairy wand, which in this case is an octagonal bar of iron that looks very much like a miner's drill, has touched May Day, New York Bonanza and Utah Consolidated of Tintic and effected a transformation. Any one with a sheet of the magic paper bearing one of these talismanic names needs only to put the paper into the market to gather silver where he sowed coppers. The charm, it is to be feared, has not worked well east of the Wasatch mountains. Most of the little investor folk one hears of beyond the mountains have the wrong names on their slips of paper. Very grand names some of them are, and the wizards who sold them said that the price was low and would increase many fold in a few months when the mines with the grand names began to pay dividends. But the mines where the magic has really worked are not christened with fancy names and no wizards have been hawking their certificates about and promising dividends from them. They are so familiar that one reads of them every day in the market quotations and the little investor folk—east of the Wasatch mountains, not having wizards to explain it, did not know that such simple, commonplace names were really talismans.

It seems appropriate to describe market conditions in words of one syllable, for it has been a children's size market. The profits have gone almost exclusively to the stockbuyers who invest on the scale on which schoolboys buy gumdrops and ice cream cones. Well known, well located listed stocks lately quoted at from a half cent to three cents a share have been the feature. Looking backward everyone wonders why these particular issues were ever permitted to get so low, especially while shares in the undeveloped prospects of undeveloped districts were selling at from ten to twenty-five cents, half the proceeds or less reaching the treasuries of the companies. Stocks of the latter kind are the sort of prospects that usually find buyers in the east. Such offerings are accompanied by personal solicitation and can be made to appear much more desirable than shares whose only advertising consists of monotonously low prices on the stock list. A New Yorker or a New Englander who has never been west of the Mississippi can scarcely be expected to give weight to the fact that the listed stock is in a proved mining zone while the virgin prospect is not. Therefore the lion's share of the recent upturn goes to the local dabbler in stocks and the eastern owner of low-priced mining shares wonders gloomily why fortune ignores the prospects in which he is interested and smiles on the other fellow.

Between prospects and mines is a twilight zone in which the approximation of true values is more difficult than in the well-defined classes. A prospect is a prospect and the wise man always takes into account the possibility of losing what he puts into it, discounting values in proportion to the risk. Mine values are based primarily on the ore in sight, the worth of equipment and the character of the development. But a property that is part prospect and part mine is a more complex proposition. One must strike two separate valuations and mix them in the right proportions. The South Columbus Consolidated of Alta is in the latter category. First a prospect, it came to be rated as a mine, lapsed into

the prospect class again and is now something between the two. Its ore is as hard to classify as its status. Some of the rock is of shining grade, some of no value whatever, and a lot more is doubtful—shipping or milling ore if metal prices are high and smelter charges low; waste if the opposite conditions prevail. The self-evident proposition that an arrangement whereby work can be prosecuted will be to the advantage of the company recommends the Alta-Hecla merger to the management. But the success or failure of the merger plan is simply an incident in a great unfolding that will decide the destiny, not only of the South Columbus and the Alta Hecla, but of a score of Alta and Big Cottonwood prospects. Do the ore bodies of the district carry wealth at great depth? Is it feasible to conduct deep mining operations there? If both these questions be answered in the affirmative, mere technicalities of organization count for little; the prospects will grow into big mines. The preponderance of evidence is all in favor of descending veins and values. The debate hinges on the second question. If it shall be decided that the district can be drained to one thousand or two thousand feet and economical transportation secured, there will have to be a merger that is a merger! Mines and prospects by the dozen must go into it and momentous projects financed on a momentous scale.

A real sensation was caused this week by reports from a strike in the tunnel of the Columbus Extension tunnel at Alta. Ten feet of sulphides were encountered at a vertical depth of 1,800 feet and the dip of the ore shoot indicates unlimited stopping ground. Copper is the predominant metal, forming about 10 per cent of the ore and silver is present in large quantities. If the strike turns out to be nearly as big as it was thought to be in the enthusiasm engendered by



Photo Underwood & Underwood, N. Y.

HANS VON KRAMER

Whose wonderful invention for wireless telephoning from a moving train has been successfully tested by the London & Brighton Railroad company and the system ordered installed. Passengers can send and receive messages regardless of the speed of the train.

its first announcement it will be a potent magnet for capital. The Extension company is only four years old and may be called a personal enterprise of Clarence McCornick and Tony Jacobson. Between them they own nine-tenths of the total capitalization, which is 300,000 shares.

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